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Message Text

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ACTION EA-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-07 LAB-04
NSAE-00 SIL-01 DODE-00 PA-02 USIA-15 PRS-01 SP-02
/053 W
----------050428 122034Z /64
R 120629Z OCT 77
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 1873

UNCLAS TOKYO 15734

E.O. 11652: N/A
TAGS: EINV, ETRD, JA, US
HONDA MOTOR CO. TO BUILD MOTORCYCLE ASSEMBLY PLANT IN OHIO

REF: TOKYO 14900

1. HONDA MOTOR CO., LTD. OF TOKYO HAS ANNOUNCED ITS INTENTION TO BUILD A MOTORCYCLE ASSEMBLY PLANT IN UNION COUNTY, OHIO, ABOUT 35 MILES FROM COLUMBUS. THE TEXT OF HONDA'S PRESS RELEASE, ISSUED AT 10:00 P.M. OCTOBER 11 TOKYO TIME AND SIMULTANEOUSLY ISSUED IN COLUMBUS, IS CONTAINED IN PARAGRAPH 4.

2. ON THE AFTERNOON OF OCTOBER 11, MR. KIYOSHI KAWASHIMA, PRESIDENT OF HONDA, CALLED ON THE AMBASSADOR TO INFORM HIM OF HIS COMPANY'S DECISION AND TO REQUEST THE EMBASSY'S SUPPORT FOR THIS ACTION. THE AMBASSADOR EMPHATICALLY RESPONDED THAT HONDA HAD OUR FULL SUPPORT.

3. THE QUESTION OF POSSIBLE MANUFACTURE OF AUTOMOBILES IS CAUTIOUSLY DESCRIBED IN THE PRESS RELEASE, AND IN A MEETING WITH THE COMMERCIAL COUNSELOR PRIOR TO HIS CALL ON THE AMBASSADOR, THE HONDA PRESIDENT WAS EVEN MORE GUARDED. HE INDICATED THAT A DECISION ON THIS MATTER WOULD BE MADE QTE WITHIN TWO TO FOUR YEARS
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AFTER THE COMMENCEMENT OF MOTORCYCLE PRODUCTION. UNQTE. IN THE MEANTIME, THE OHIO FACILITY WILL PRODUCE LARGER MOTORCYCLES ONLY, INITIALLY FOR THE U.S. MARKET BUT POSSIBLY LATER EXPANDING WITH SALES TO CANADA, LATIN AMERICA, AND EUROPE. ABOUT 30 PERCENT OF THE COMPONENTS USED IN THE MOTORCYCLES WILL BE PROCURED IN THE UNITED STATES.

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4. FOLLOWING IS TEXT OF PRESS RELEASE. BEGIN TEXT.

TOKYO, OCT. 11 --- HONDA MOTOR CO., LTD., AND THE STATE GOVERNMENT OF OHIO TODAY REACHED AGREEMENT IN COLUMBUS, CLEARING THE WAY FOR HONDA'S SELECTION OF OHIO AS THE SITE FOR A MOTORCYCLE ASSEMBLY PLANT.

PLANS FOR THEPROJECT WERE FINALIZED WHEN HONDA EXECUTIVE VICE PRESIDENT KIHACHIIRO KAWASHIMA MET THIS MORNING WITH GOVERNOR JAMES A. RHODES IN THE GOVERNOR'S OFFICE AT 9:00 A.M. EASTERN DAYLIGHT TIME (10:00 P.M. JAPAN STANDARD TIME).

THE NEW PLANT WILL OCCUPY A 217-ACRE SITE IN UNION COUNTY, OHIO, ADJACENT TO THE EASTERN BOUNDARY OF THE OHIO TRANSPOR-TATION RESEARCH CENTER (TRC).

IT WILL BE DESIGNED TO MANUFACTURE 60,000 MOTORCYCLES ANNUALLY ONA SINGLE SHIFT BASIS, AND WILL EMPLOY UP TO 500 PERSONS IN ITS INITIAL STAGE.

CONSTRUCTION WORK IS EXPECTED TO GET UNDER WAY EARLY NEXT YEAR, AND THE TARGET DATE FOR STARTING PRODUCTION IS SET FOR THE SPRING OF 1979.

IF THE MOTORCYCLE ASSEMBLYOPERATION MEETS THE COMPANY'S UNCLASSIFIED

EXPECTATIONS WITH RESPECT TO SUCH FACTORS AS THE PRODUCT QUALITY AND COSTS AS WELL AS ITS RELATIONS WITH LABOR, LOCAL COMMUNITIES AND GOVERNMENTS, AND DEMAND AND OTHER ECONOMIC CONDITIONS SO WARRANT, HONDA INTENDS TO START MANUFACTURING AUTOMOBILES BY EXPANDING THE PLANT SITE.

UNDER UNDERSTANDINGS REACHED WITH OHIO OFFICIALS, HONDA PLANS TO ACQUIRE AN OPTION TO PURCHASE UP TO 260 ACRES OF LAND FROM THE TRC IMMEDIATELY ADJOINING THE MOTORCYCLE PLANT SITE.

NO DETAILS AS TO THE TIMING OR PRODUCTION VOLUME OF AUTOMOBILES HAVE BEEN DETERMINED YET, HOWEVER.

HONDA WILL SOON ESTABLISH A NEW COMPANY, TENTATIVELY NAMED, HONDA OF AMERICAN MFG., INC. WITH INITIAL INVESTMENT OF $25 MILLION TO OPERATETHE ASSEMBY AND MANUFACTURING OPERATIONS IN OHIO, JOINTLY WITH ITS U.S. SALES SUBSIDIARY, AMERICAN HONDA MOTOR CO., INC., OF GARDENA, CALIFORNIA.

THE STATE CONTROLLING BOARD APPROVED THE RELEASE OF 2.5 MILLION DOLLARS IN PUBLIC IMPROVEMENTS, AIMED AT HELPING

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HONDA CONSTRUCT AND OPERATE THE NEW PLANT.

HONDA'S DECISION HAS STEMMED FRM ITS LONG-STANDING
DESIRE TO LAUNCH MANUFACTURING ACTIVITIES IN THE UNITED STATES
AND OHIO'S EFFORTS TO INDUCE HONDA TO ESTABLISH INDUSTRIAL
FACILITIES THERE TO CREATE JOBS AND EMPLOYMENT OPPORTUNITIES
AND IMPROVE THE ECONOMIC WELFARE OF THE PEOPLE OF OHIO.

DURING THE PAST YEARS, HONDA HAS BEEN APPROACHED BY MANY
STATES AND COMMUNITIES OF THE UNITED STATES WITH INVIATIONS
TO SET UP A PLANT.

A SPOKESMAN FOR THE COMPANY SAID THE SITE IN UNION COUNTY,
OHIO, HAS BEEN FINALLY SELECTED AFTER WEIGHING AND BALANCING
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NUMEROUS ECONOMIC AND OTHER FACTOTRS.

"WE ARE EXTREMELY GRATIFIED BY SO MANY WARM INVITATIONS
WE HAVE RECEIVED FROM THE UNITED STATES, BUT, OF COURSE,
IT WAS ESSENTIAL FOR US TO CHOOSE A SINGLE LOCATION," HE SAID.

"HONA COMMITS EVERY EFFORT TO BRING THIS PROJECT A
SUCCESS THROUGH COOPERATION WITH THE GOVERNMENT AND PEOPLE
OF OHIO, SO THAT WE MAY ACHIEVE HARMONY WITH AND WORK FOR
THE BENEFIT OF THE COMMUNITIES AND PEOPLE OF THE UNITED STATES,"
THE SPOKESMAN ADDED. END TEXT.
MANSFIELD

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AUTOMOTIVE INDUSTRY, FOREIGN INVESTMENT, MOTORCYCLES, INDUSTRIAL PLANTS
Control Number: n/a
Copy: SINGLE
Sent Date: 12-Oct-1977 12:00:00 am
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Decaption Note:
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Disposition Approved on Date:
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Disposition Comment:
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Executive Order: N/A
Errors: n/a
Expiration:
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Handling Restrictions: n/a
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Original Handling Restrictions: n/a
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Page Count: 3
Previous Channel Indicators: n/a
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Reference: 77 TOKYO 14900
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Event:
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Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 943572
Secure: OPEN
Status: <DBA CHANGED> mcm 20041104
Subject: CONSTRUCTION
TAGS: EINV, ETRD, JA, US, HONDA MOTOR CO
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/4d138c31-c288-dd11-92da-001cc4696bcc
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